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ABSTRACT

In 1982, the Houston Community College System (HCCS) initiated a marketing study designed to identify the education and training needs of the business community in relation to the community college's newly implemented program of professional development seminars. Through a telephone survey of 127 Houston area companies employing 100 or more people, the study sought to: (1) identify major companies which could be potential users of the professional development seminars; (2) determine the image of HCCS as a provider of the seminars; (3) identify professional development seminars with the greatest potential for successful marketing; and (4) identify ways to communicate the availability and benefits of the seminars. Survey findings indicated a high level of interest in the seminars and led to the development of several marketing tools and strategies, including a folder providing basic information about seminars; a quarterly newsletter; and increased networking with organizations. In 1986, a similar study was conducted of companies with 50 or more employees. This study revealed high levels of employer interest in outside training, a lack of concern with college credit among 72% of the companies, a need for flexibility of format, a willingness among respondents to pay for training, and support for the community college as a source of employee training. As a result of its marketing studies, HCCS has developed a planned approach to developing its services to the business community. (LAL)

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An 80's Approach to Providing
Educational Services to Business/Industry:
The Houston Community College System Plan

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AN 80's APPROACH TO PROVIDING
EDUCATIONAL SERVICES TO BUSINESS/INDUSTRY:
THE HOUSTON COMMUNITY COLLEGE SYSTEM PLAN

INTRODUCTION

The Houston Community College System (HCCS) has been operating in Houston since 1971, providing a full spectrum of educational offerings. With 37 locations throughout the greater metropolitan area and an emphasis on affordable (low cost) education, HCCS fills a special need as a community agency with capabilities for providing a substantial share of skilled employees for the local economy.

By design HCCS always has had strong ties with the local business community. The college's number one objective has been, since its inception, to provide occupational and technical programs which prepare individuals for immediate employment in skilled and semi-skilled occupations and to provide supplementary training to upgrade present job skills (4). Not surprisingly, the majority of students who attend HCCS have, as their primary objective, to improve existing job skills or to prepare for a new job (5).

In the early 1980's, in response to the changes in the Houston work environment--a more mobile society, the demands of more sophisticated technology, the influx of minority groups and displaced workers in the Houston area--HCCS began expanding not only to provide entry level occupational training but to make retraining and upgrading programs available to current employees of local companies.

The expansion was a timely one. From a national perspective, the need for retraining and upgrading America's workforce was evident. In its publication history, Newsweek had taken an editorial position only four times on a national issue. These were on race, on Vietnam, on energy, and, in 1982,

on unemployment. "Unemployment is at 10.1 percent," Newsweek wrote in its October 18 issue,

--but it's due only partly to the recession. A revolution is underway: the smokestack industries are shrinking--leaving millions without the skills to compete in the emerging high-tech economy (6:78).

The college's challenge was to develop a sound marketing plan so that HCCS could be proactive in its efforts to meet the changing needs in the Houston work environment as well as to help ensure its ability to maintain, if not improve, the quality of its services. In the past HCCS and other educational institutions had been content to let programs sell themselves. In 1983, however, there was a need for marketing principles to be guides to the redefinition of institutional goals and program objectives. As a group, educators did not seem to understand marketing. For some, it conjured up visions of promoters and slick closers who were after sales and easy dollars. For others, it was a confusing concept from which even more confusion is created by a proliferation of buzz words like "target segmentation," "market share," "position," and "media mix." In Murphy's and McGarrity's (11) survey of college administrators whose institutions were in trouble due to declining enrollments and spiraling costs, most of the respondents defined marketing as one of its subfunctions. Sixty-one percent said marketing was a combination of selling, advertising, and public relations. Only a small percent described marketing as having to do with needs assessment, market research, product development, pricing, and distribution. Yet, in actuality, marketing is a goal-setting, problem-solving process that consists of the same general steps educators are encouraged to follow in any program development: assessment, product (i.e. program) development, promotion, delivery, and evaluation. These are similar to the steps described in contemporary program development by Boyle (1:5), Hoyle (2:47) and Knowles(7:59).

Marketing expert Philip Kotler defines the term as follows:

Marketing is the analysis, planning, implementation, and control of carefully formulated programs designed to bring about voluntary exchanges of values with target markets for the purpose of achieving organizational objectives. It relies heavily on designing the organization's offering in terms of the target markets' needs and desires, and on using effective pricing, communication, and distribution to inform, motivate, and service the markets (8:5).

STATEMENT OF THE PROBLEM

Higher education is being confronted with changing enrollment patterns and with the changing needs of those they serve and hope to serve. In addition, there are problems of dwindling budgets and increasing costs. Competition among institutions and from alternatives to higher education for students and financing is intense. These are classic marketing problems. Sound marketing principles can help solve these problems or at least put institutions in a proactive stance when dealing with them.

In December 1982, Houston Community College System mailed 13,000 brochures to the Houston membership of the American Management Association to recruit participants for professional development seminars. Only 47 people enrolled, indicating a disastrous response. The needs of the business community had not been adequately discerned by the community college. Despite the focus by HCCS on serving the needs of business and industry, in 1982, no formal marketing research had been implemented to identify those needs. This marketing research study sought to bridge the gap that existed between the needs of business and industry and the programs of the community college. Specifically, the study focused on a ~~needs~~ analysis of the Houston business community.

The overall objectives were:

1. To identify major companies in the community which could be potential users of professional development seminars.

2. To determine the image of HCCS as a provider of professional development seminars.
3. To identify specific professional development seminars that have the greatest potential for successful marketing by HCCS.
4. To identify ways to communicate the availability and benefits of HCCS professional development seminars.

SIGNIFICANCE OF THE STUDY

There had been a national push in 1982 for community colleges to work more closely with business and industry. The Association of Community College Trustees created a national Business-Industry-Community College Coalition, and the American Association of Community and Junior College initiated its Put America Back to Work Project. These organizations provided an impetus for community colleges to address the educational and training needs of business and industry on a local level. For example, nine Texas community colleges, including HCCS, formed the Gulf Coast Consortium. The initial project of the consortium was to inventory its capabilities and to publish them in booklet form. While this was a worthwhile project, it followed the traditional approach of putting out the information and letting the programs sell themselves. HCCS administrators felt more contemporary strategies were needed.

The goal for the initial research project was to develop strategies for marketing professional development seminars to Houston companies. The intent of the plan was to demonstrate in an exemplary manner the positive benefits a marketing orientation creates for an institution. According to Kotler and Goldgehn (9:12), the benefits should include a sensitivity to community educational and training needs, an expertise for developing and launching successful programs, a capability for creating more effective systems of

distributing and delivering programs, an awareness for competitive programming, and an ability to create more student, faculty, and administrative satisfaction. The approach would be advantageous for all involved and reinforce the points made by Jackman and Mahoney (5) in these ways: area companies would receive quality, affordable seminars; HCCS would accrue public relations and revenue benefits; participants would receive hands-on training in marketable skills; and the community would use the business-industry-education cooperative efforts to attract new companies to the area.

LIMITATIONS

HCCS limited its initial marketing plan to developing strategies for marketing professional development seminars from within the Sales, Marketing, and Management Division of the Houston Community College System. Business and industry categories were identified for this research by the Seminar Program Specialist, the Division Chair, and the Occupational/Technical Dean. Business and industry categories were limited to financial, manufacturing, petroleum, retail, service, and wholesale. Companies included in this study were those which indicated they employed 100 or more people. The study did not include companies outside the service area of HCCS.

PROCEDURES

The marketing research data for the initial research were gathered from a telephone survey of 127 Houston area companies. This number was selected by applying the following formula:

$$N = \frac{P(Q)}{\frac{r^2}{z^2} + \frac{P(Q)}{N}}$$

which was derived from Kress's chapter on "Developing a Sample" (10:193). The telephone survey was conducted by the Gelb Consulting Group, Inc., a marketing and management research consultant firm in Houston, Texas. The survey,

requested and funded by Houston Community College System, provided the data from which to identify needs among selected Houston companies for professional development seminars and to determine the role for which HCCS was best suited in meeting these needs.

The population used for this research was the 1,188 companies which are listed in the Executive Service Directory, a greater Houston area business guide, as employers of 100 or more people and which were located within the service area of HCCS. They were listed in the directory in the following categories: financial, manufacturing, petroleum, retail service, and wholesale. Primary contact persons responsible for purchasing and/or recommending employee training seminars were identified in these firms. A precall letter was sent to all potential respondents on the primary list along with a Better Business Bureau enclosure to assure potential respondents that Gelb Consulting Group, Inc. was not soliciting business.

The questionnaire for the survey was developed by Joyce Boatright, Director of Community Relations for Houston Community College System, with assistance from Judy Jones, Project Director for Gelb Consulting Group, Inc.

The survey instrument, composed of 29 questions, was designed to yield data from which qualitative and quantitative analysis would lead to developing strategies for marketing professional development seminars. A pretest of the questionnaire was conducted to determine possible working problems and to assure clarity. Minor revisions were made. Telephone interviews were conducted from July 8 to July 21, 1983.

Completed interviews were edited, coded, and tabulated. Where questions were open-ended, response categories were created through qualitative analysis of the data.

FINDINGS

Responses to the survey were examined and analyzed in order to answer four research questions:

1. Which companies in the community were potential users of professional development seminars? Only 30% of the companies surveyed said they would not consider HCCS for company training, so 70% were potential users of HCCS professional development seminars. In addition, 6 of every 10 companies had changed how they planned or and provided managerial and supervisory training due to the recent recession.

2. What was the image of HCCS as a provider of professional development seminars? Almost one-half of the companies which were considered potential users of HCCS seminars had no opinion about HCCS's ability to provide employee training. One-fourth said they thought HCCS was best suited for general management training, while one in 10 felt HCCS had a strong technical expertise. Sixty-two percent of this same group had no opinion regarding the types of training for which HCCS was not suited, while 13% stated that they felt HCCS was limited in its ability to deliver general management training and incapable of corporate training. Among the total sample population, only 17% perceived HCCS as second rate to its sister universities and four-year colleges. It was surprising to discover, however, that more than one-half of the companies had no opinion about HCCS because they did not have any idea what was available at the college.

3. What professional development seminars had the greatest potential for successful marketing by HCCS? General management was the program area most often cited as needed in 1984 by Houston companies. Companies which had sought outside training over the past 2 years had contracted most often for programs in general management. Human relations, communication, general management, and leadership were the programs most often cited by firms which might seek outside resources for previously provided in-house training. If they could customize with an outside provider, at least one in five and up to 38% of the companies chose communication, general management, and human relations topics.

4. What ways could the availability and benefits of HCCS professional development seminars best be communicated? Companies depended on the informal communication lines of the grapevine as an important source for finding out about training resources. On a five-point scale, recommendations from other members of one's company were ranked highest and were followed by recommendations from other trainers, brochures, and personal calls. No company ranked newspaper ads as very important. Statistical analysis of the importance of information sources in informing companies about the availability of training resources revealed that the services industry rated brochures/direct mailing higher than the other categories while the retail industry rated the method lower than the other categories.

Overall, companies considered instructor qualifications, the kinds of recommendations a training program received from others, and the course content as important features while some companies cited flexibility in scheduling and a few others identified cost as the benefit they considered most important when choosing outside resources. Since most companies paid all costs up front for supervisors and managers, flexible payment plans were assumed not an important benefit. Managerial and supervisory training that could be held on-site and during company time appealed to the majority of companies. Forty-four percent, however, preferred the benefit of time formats customized to fit individual company needs.

MARKETING STRATEGIES

These conclusions provided the framework necessary for HCCS to construct its marketing strategies aimed at the business/industry community. The Coordinator of Seminar Programs and her staff assisted all instructional divisions in setting up and delivering company-specific seminars. Fertile areas were Supervisory Training, Time Management, Coaching & Counseling, Effective Presentations, Corporate Grammar, and Effective Writing. The response from companies repre-

sentatives concerning HCCS's flexible options was so positive that the college decided to extend its strategies to increasing professional development seminars for the general working public (professional, technical, and managerial employees).

Initially, the Seminar Program area worked with the Business/Industry Development Office and began to develop a process for conducting seminars and the mechanics for working with all instructional divisions to meet company needs. The process consisted of marketing strategies, product development, contract agreements, pricing structures, and evaluation procedures. Once this was in place, HCCS was ready to begin its promotional and sales efforts to aggressively communicate what the college had to offer. HCCS had developed a product and pricing structure that it felt could carve out a market niche that was in demand.

A folder was designed that provided basic information about the seminars. HCCS began a quarterly newsletter and developed, with a local mailing house, target markets which became the basis on which to build an in-house mailing list. In addition to promotional materials, HCCS began to network with organizations and associations. Key groups were targeted for active memberships. These included the Houston Chamber of Commerce (with active participation on its International & Domestic Business committee), Houston Economic Development Council, Houston Committee for Private Sector Initiatives, computer user groups, American Society of Training and Development, Houston Federation of Professional Women (an organization of professional women's organizations), and Houston Personnel Association, to name a few. Working with these groups not only helped HCCS to become better known but it also helped the college to continue to understand the changing needs of the business community.

During this same period, 1984-85, HCCS had the opportunity to begin a new campus with a business focus. The location for the campus, in the midst of Houston's Galleria area, was chosen because over 17,000 companies existed in the immediate vicinity and relationships had already been developed with several companies by the Director of Business/Industry Development. The focus of the

Galleria Area Center was (and is) on office automation, particularly in micro computer applications for businesses, word processing, technical writing, data processing, and computerized accounting. Because of the array of specialized hardware to support such training, some area companies have chosen the center's site for company-specific programs in addition to their on-site location requests.

The success of the marketing approach HCCS had taken can be measured in numbers. The Galleria Area Center has increased its enrollment by 30 percent in just one year. System-wide, the number of seminars being conducted for professional training and development has increased from 14 in 1982-83, to 44 in 1983-84, to 96 in 1984-85, to 178 in 1985-86. (Note: These numbers represent only those seminars which are not getting state reimbursement; hence they are "gravy" to an institution to which occupational-technical education is its meat and potatoes.)

FURTHER STUDY

In 1986, HCCS conducted another telephone survey of Houston area companies. Because of the economic downturn and employee lay-offs in Houston, the college included companies which had a 50+ employee base in its service area. The majority of companies interviewed (63 percent) had between 50 - 199 employees. Some of the salient findings were:

1. Sixty-four percent of the companies surveyed were interested in having their employees take courses, seminars or training programs. Almost one-half of them currently provide training for their employees using outside vendors (organization outside of the company). Conclusion: No single outside provider dominates. (The market is still wide open!)

2. Of the companies which wanted to provide training to their employees, 38% were interested in college credit; 17% were not interested in credit; 45% had no preference either way. Conclusion: Make credit optional. (Also, understand that college credit is NOT a "sales factor" to 72% of the companies which were interested in employee training.

3. Of the companies which wanted employee training, there's diversity among them in regards to format. 50% were interested in on site, company specific; 73% were interested in on campus, company specific; 33% were interested in on campus, day classes; 89% were interested in on campus, evening classes; 75% were interested in on campus, weekend classes; 69% were interested in cooperative education; 53% were interested in college placement services; and 84% were interested in continuing education. Conclusion: Be flexible to fit unique needs of each company.

4. Of the companies which were interested in employee training: 94% provide tuition reimbursement; 64% allow employees to attend class/seminar on company time; 28% require continuing education and/or professional development for advancement. Conclusion: Companies are willing to pay the bill for employee training.

5. Companies were asked specifically to name the colleges, community colleges and organizations in the Houston area which could "best meet your employees needs" with a follow-up question, "What other schools come to mind?" 26% named HCCS first (19% named HCCS in the follow-up); 13% named one of the other eight community college districts in the Gulf Coast Consortium. Conclusion: An increasing number of Houston area companies think of community colleges FIRST as a "best fit" when they're choosing continuing education for credit/noncredit.

IN SUMMARY

As a result of the initial marketing study, HCCS now has a planned approach to developing its services to the business community. The Office of Business-Industry Development has been organized and human resources have been re-assigned so that there is the staff support services for a total marketing effort. The Office of Business-Industry Development coordinates seminar program activities, cooperative education, small business programs, and works

particularly with occupational-technical program areas to market and coordinate all activities with business and industry. The Office of Business-Industry Development is assisted by a strong advisory committee comprised of Houston company representatives and it is developing an overall strategic marketing plan for each instructional program area. The advisory committee is representative of the sectors which are the backbone of Houston's infrastructure and synergy, including city government, the economic development council, energy, banking, and small businesses.

In conclusion, HCCS has found that 1) professional training and development seminars are a valid way to approach new learning opportunities for the adult business community; 2) networking within organizations and associations is a valuable way to build credibility in the training community and to identify key resources to assist you in accomplishing your objectives; 3) it is very important to know your markets (not only to identify them on paper, but to meet with representatives and to discuss their needs); and 4) it is essential to do what you say you are going to do.

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